

State of California
The Resources Agency – GRANT AGREEMENT
Los Angeles River Parkway Grant Program

Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000

APPLICANT: MOUNTAINS RECREATION CONSERVATION AUTHORITY

PROJECT TITLE: Artesian Park Acquisition

AGREEMENT NUMBER: 12107 – 14

PROJECT PERFORMANCE PERIOD IS December 15, 2003 – May 1, 2005

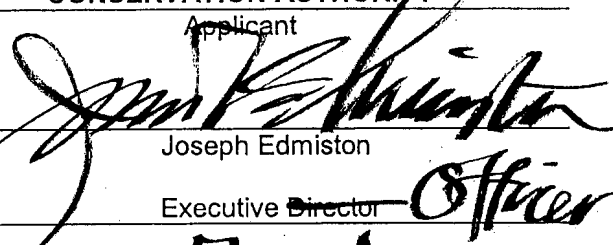
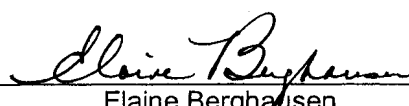
Under the terms and conditions of this agreement, the applicant agrees to complete the project as described in the project description, and the State of California, acting through the Resources Agency pursuant to the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, agrees to fund the project up to the total state grant amount indicated.

PROJECT DESCRIPTION:

See project description on page 1 and Exhibit A of the Agreement

Total State Grant not to exceed \$ 1,648,000.00 (or project costs, whichever is less)

The Special and General Provisions attached are made a part of and incorporated into the Agreement.

MOUNTAINS RECREATION AND CONSERVATION AUTHORITY Applicant	STATE OF CALIFORNIA THE RESOURCES AGENCY
By  Joseph Edmiston	By  Elaine Berghausen
Title Executive Director Officer	Title Deputy Assistant Secretary
Date <u>1-7-04</u>	Date <u>1/14/04</u>

CERTIFICATION OF FUNDING

AMOUNT OF ESTIMATE FUNDING		AGREEMENT NUMBER		FUND	
\$1,648,000.00		12107 – 14		0005 Parks Bond Fund (Prop 12)	
ADJ. INCREASING ENCUMBRANCE \$		APPROPRIATION			
		0005002-2000-101			
ADJ. DECREASING ENCUMBRANCE \$		FUNCTION			
		Local Assistance			
UNENCUMBERED BALANCE \$		LINE ITEM ALLOTMENT	CHAPTER	STATUTE	FISCAL YEAR
		0540-101-0005002	152	2000	00/01
T.B.A. NO.	B.R. NO.	INDEX	OBJ. EXPEND	PCA	PROJECT/WORK PHASE
		0540	751.02	10107	

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance


SIGNATURE OF ACCOUNTING OFFICER

3-11-2004
DATE

**STATE OF CALIFORNIA RESOURCES AGENCY
GRANT AGREEMENT**

**Los Angeles River Parkway Grant Program
Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000**

Grantee Name: Mountains Recreation and Conservation Authority
Project Title: Artesian Park Acquisition
Agreement: 12107-14

Project Description

Acquire in fee title 2.81 acres located on the east bank of the Arroyo Seco Channel in the City of Los Angeles. This acquisition will be used for future development of a larger 5.31 acre nature park and will become part of a network of multi-modal trails, large parks and open space along the Los Angeles River, providing access to the Arroyo Seco Bikeway. Detailed project scope, project schedule and project budget are described and attached hereto as Exhibit A.

Grantee agrees that if the Grant Funds are received and it acquires the Real Property, such acquisition will be for the purposes of providing open space, non-motorized trails, bike paths, and other low-impact recreational uses and wildlife habitat restoration and protection for a minimum period of twenty-five (25) years.

TERMS AND CONDITIONS OF GRANT

Special Provisions

1. Recipients of grant funding pursuant to the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Act of 2000 shall post signs acknowledging the source of the funds pursuant to the sign guidelines issued by the Secretary of the Resources Agency. Size, location and number of signs are subject to mutual written agreement by Grantee and the State. Signage during construction phase must be in place before Grant Funds for construction will be released. The State may withhold the final disbursement pending placement of the signs in the manner approved by the State.
2. The State Department of General Services shall have reviewed and approved in writing all documents pertaining to the Grantee's Acquisition of real property and easements, including any appraisals, preliminary title reports, agreements for purchase and sale, escrow instructions and the instruments of conveyance. Such review and approval by the State shall be timely and shall not be unreasonably withheld.
3. The Grantee shall record, concurrently with its close of escrow in the purchase of the Real Property, a Memorandum of Unrecorded Grant Agreement, incorporating by reference this Grant Agreement and giving public notice that the Grantee received funds under this Grant Agreement in order to assist Grantee in acquiring the Real Property and that, in consideration for the receipt of the Grant Funds, the Grantee has agreed to the terms of this Grant Agreement. The memorandum shall be in the form attached hereto as Exhibit B.

General Provisions

A. Definitions

1. The term "Act" means the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond of 2000.
2. The term "Agreement" means grant agreement number 12107-14.
3. The term "Acquisition" means to acquire a fee interest or any other interest, including easements and development rights, in real property from a willing seller.
4. The term "Application" as used herein means the individual application form and its required attachments for grants pursuant to the enabling legislation and/or program.
5. The term "Grant Funds" means the money provided by the State to the Grantee in this Agreement.
6. The term "Grantee" means an applicant who has a signed agreement for grant funds.
7. The term "Project" means the acquisition, development or other activity described on page 1 of this Agreement to be accomplished with grant funds.
8. The term "State" means the State of California, Secretary of the Resources Agency.

B. Project Execution

1. Subject to the availability of Grant monies in the Act, the State hereby grants to the Grantee a sum of money (Grant Funds) not to exceed the amount stated on the signature page in consideration of and on condition that the sum be expended in carrying out the purposes as set forth in the description of Project in this Agreement and its attachments and under the terms and conditions set forth in this Agreement. Grantee shall assume any obligation to furnish any additional funds that may be necessary to complete the Project.
2. Grantee shall complete the Project in accordance with the time of Project performance set forth on the signature page, unless an extension has been formally granted by the State and under the terms and conditions of this Agreement. Extensions may be requested in advance and will be considered in the event of circumstances beyond the control of the Grantee, but in no event beyond May 1, 2007.
3. Grantee shall comply as lead agency with the California Environmental Quality Act (Public Resources Code, Section 21000, et. seq. Title 14, California Code of Regulations, Section 15000 et. seq.) and other environmental laws before any Grant Funds for Acquisition or Development are made available. Grant Funds for planning and document preparation may be available sooner if included in the grant work plan. CEQA compliance shall be completed within one (1) year from start date of the Agreement.
4. Grantee shall provide for public access to the Project facilities.
5. If the Project includes Acquisition of real property, the Grantee agrees to comply with all applicable state and local laws or ordinances that apply to relocation and real property Acquisition by Public Agencies.
6. Lands acquired with Grant Funds from this Agreement shall be acquired from a willing seller of the land.

C. Project Costs

1. The Grant Funds to be provided to Grantee under this Agreement will be disbursed for eligible costs as follows, but not to exceed in any event the amount set forth on the signature page of this Agreement:
 - a. If the Acquisition Project is through a negotiated purchase, the State may disburse up to 90 percent (90%) of the amount of the State-approved purchase price together with State-approved costs of Acquisition within sixty (60) days of close of escrow. Costs of obtaining approval of the purchase price and transaction review from the State Department of General Services are allowable costs. The amount disbursed by the State in any event shall not exceed the amount set forth on the signature page of this Agreement. The remainder of the Grant, if any, shall be available on a reimbursable basis.
 - b. Requests for payment of Grant Funds into escrow must be submitted via a completed Payment Request Form and be accompanied by a letter on the Grantee's letterhead containing all of the following:
 - i. Name and address of Grantee;
 - ii. Number of Agreement;
 - iii. Dollar amount of disbursement requested;
 - iv. Name, address and telephone number of the title company of escrow holder, and the escrow account number to which the Grant Funds will be disbursed;
 - v. A statement by Grantee that all funds (exclusive of the Grant Funds to be provided under this Agreement) needed for completion of Acquisition of the Real Property have been secured and have been or will be deposited to escrow at or about the same date as the requested Grant Funds. In making this statement, Grantee shall be entitled to reasonably rely on the representations of the transferor of the Real Property; and
 - vi. Anticipated close of escrow date.

The letter shall be accompanied by a Payee Data Record (Form 204) completed for and by the escrow company.

- c. Requests for payment of Grant Funds on a reimbursable basis for Acquisitions shall include all of the following:
 - i. Complete Payment Request Form;
 - ii. Buyer's closing statement;
 - iii. Copies of grant deeds;
 - iv. Policy of title insurance;
 - v. Project Completion Certification Form (if the project is complete and payment in full is requested);
 - vi. Evidence of compliance with signage requirement; and
 - vii. Summary report of final total Project expenditures.

All reimbursements are subject to a 10 percent (10%) withhold pending Project completion.

2. Grant Funds in this award have a limited period in which they must be expended. All Grantee expenditures must occur prior to the end of the term of this Agreement.
3. Except as otherwise provided herein, the Grantee shall expend Grant Funds in the manner described in the Project Budget approved by the State. The dollar amount of an item in the Project Budget may be increased by up to ten percent (10%) through reallocation of funds from another item or items, without approval by the State; however, the Grantee shall notify the State in writing when any such reallocation is made and shall identify both the item(s) being increased and those being decreased. Any increase or decrease of more than ten percent (10%) in the

amount of an item must be approved in writing by the State. The total amount of the Grant Funds may not be increased.

D. Project Administration

1. Grantee shall promptly submit written Project reports as the State may request. In any event, Grantee shall provide State a report showing total final Project expenditures.
2. Grantee shall make property and facilities acquired or developed pursuant to this Agreement available for inspection upon request by the State.
3. Grantee agrees to use any Grant Funds advanced by the State under the terms of this Agreement solely for the Project herein described.
4. If Grant Funds are advanced, the Grantee shall place these Funds in a separate interest-bearing account, setting up and identifying such account prior to the advance. Interest earned on Grant Funds shall be used on the Project as approved by the State. Any overpayment of Grant Funds in excess of final project costs shall be returned to the State within sixty (60) days of completion of the Project or the end of the Project performance period as shown on the signature page, whichever is earlier.
5. Grantee shall use any income earned by the Grantee from use of the Project to further Project purposes, or, if approved by the State, for related purposes within the jurisdiction.
6. Grantee shall submit all documentation for project completion and final reimbursement within ninety (90) days of Project completion.
7. This Agreement may be amended by mutual agreement in writing between Grantee and State. Any request by the Grantee for amendments must be in writing stating the amendment request and reason for the request. The Grantee shall make requests in a timely manner and in no event less than sixty (60) days before the effective date of the amendment.

E. Project Termination

1. Prior to the last to occur of (1) State's deposit of the Grant Funds into escrow and (2) Grantee's close of escrow for Acquisition of the easement and/or real property, either party may terminate this Agreement for any reason or for no reason by providing the other party with a minimum of fifteen (15) days written notice of such termination.
2. If the Grantee fails to complete the project in accordance with this Agreement, or fails to fulfill any other obligations of this Agreement prior to the termination date, the Grantee shall be liable for immediate repayment to the State of all amounts disbursed by the State under this Agreement (plus accrued interest). The State may, at its sole discretion, consider extenuating circumstances and not require repayment for work partially completed. This paragraph shall not be deemed to limit any other remedies the State may have for breach of this Agreement.
3. If the State terminates prior to the completion date, the Grantee shall take all reasonable measures to prevent further costs to the State under this Agreement. The State shall be responsible for any reasonable and non-cancelable obligations incurred by the Grantee in the performance of the agreement prior to the date of the notice to terminate but only up to the unpaid balance of funding authorized in this Agreement.
4. Failure by the Grantee to comply with the terms of this Agreement or any other Agreement under the Act may be cause for suspension of all obligations of the State hereunder.

5. Failure of the Grantee to comply with the terms of this Agreement shall not be cause for the suspension of all obligations of the State hereunder if in the judgment of the State such failure was due to no fault of the Grantee. At the discretion of the State, any amount required to settle at minimum cost any irrevocable obligations properly incurred shall be eligible for reimbursement under this Agreement.
6. Because the benefit to be derived by the State, from the full compliance by the Grantee with the terms of this Agreement, is the acquisition and development of river parkways and the acquisition and restoration of Riparian habitat, Riverine aquatic habitat, and other lands in close proximity to rivers and streams and for river and stream trail projects available to the people of the State of California, and because such benefit exceeds to an immeasurable and unascertainable extent the amount of money furnished by the State by way of Grant Funds under the provisions of this Agreement, the Grantee agrees that payment by the Grantee to the State of an amount equal to the amount of the Grant Funds disbursed under this Agreement by the State would be inadequate compensation to the State for any breach by the Grantee of this Agreement. The Grantee further agrees therefore, that the appropriate remedy in the event of a breach by the Grantee of this Agreement shall be the specific performance of this Agreement, unless otherwise agreed to by the State.

F. Hold Harmless

1. Grantee shall waive all claims and recourses against the State, including the right to contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to this Agreement except claims arising from the gross negligence of State, its officers, agents and employees.
2. Grantee shall indemnify, hold harmless and defend State, its officers, agents and employees against any and all claims demands, damages, costs, expenses or liability costs arising out of the Acquisition, Development, construction, operation or maintenance of the property described in the Project description which claims, demands or causes of action arise under Government Code Section 895.2 or otherwise, including but not limited to items to which the Grantee has certified, except for liability arising out of the gross negligence of State, its officers, agents or employees. Grantee acknowledges that it is solely responsible for compliance with items to which it has certified.
3. Grantee agrees that in the event State is named as codefendant under the provisions of Government Code Section 895 et seq., the Grantee shall notify State of such fact and shall represent State in the legal action unless State undertakes to represent itself as codefendant in such legal action, in which event State shall bear its own litigation costs, expenses and attorney's fees.
4. Grantee and State agree that in the event of judgment entered against the State and Grantee because of the gross negligence of the State and Grantee, their officers, agents or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.

G. Financial Records

1. Grantee shall maintain satisfactory financial accounts, documents and records for the Project and to make them available to the State for auditing at reasonable times. Grantee shall also retain such financial accounts, documents and records for three (3) years after final payment and one (1) year following an audit.
2. Grantee and State agree that during regular office hours each of the parties hereto and their duly authorized representatives shall have the right to inspect and make copies of any books, records or reports of the other party pertaining to this Agreement or matters related thereto. Grantee shall maintain and make available for inspection by the State accurate records of all of its costs, disbursements and receipts with respect to its activities under this Agreement.

3. Grantee shall use any generally accepted accounting system.

H. Use of Facilities

1. Grantee shall maintain, operate and use the property funded pursuant to this Grant for a minimum of twenty-five (25) years, consistent with the Land Tenure requirements included in the Application Guidelines. With the approval of the State, the Grantee, or the Grantee's successor in interest in the property, may transfer the responsibility to maintain and operate the property in accordance with this requirement. Grantee may be excused from its obligations for operation and maintenance of the Project site only upon the written approval of the State for good cause. "Good cause" includes, but is not limited to, natural disasters that destroy the Project improvements and render the Project obsolete or impracticable to rebuild.
2. The Real property (including any portion of it or any interest in it) may not be transferred without the approval of the State.
3. Grantee shall use the property for the purposes for which the Grant was made and shall make no other use or sale or other disposition of the property. This Agreement shall not prevent the transfer of the property from the Grantee to a public agency, if the successor public agency assumes the obligations imposed by this Agreement. If the use of the property is changed to a use that is not permitted by the Grant Guidelines, or if the property is sold or otherwise disposed of, an amount equal to (1) the amount of the grant (2) the fair market value of the real property, or (3) the proceeds from the sale or other disposition, whichever is greater, shall be reimbursed to the State. If the property sold or otherwise disposed of is less than the entire interest in the property funded in the Grant, an amount equal to either the proceeds from the sale or other disposition of the interest or the fair market value of the interest sold or otherwise disposed of, whichever is greater, shall be reimbursed to the State.
4. The Grantee shall not use or allow the use of any portion of the real property as security for any debt or for mitigation without the written permission of the State.

I. Nondiscrimination

1. The Grantee shall not discriminate against any person on the basis of sex, race, color, national origin, age, religion, ancestry or physical handicap in the use of any property or facility acquired or developed pursuant to this Agreement.
2. The Grantee shall not discriminate against any person on the basis of residence except to the extent that reasonable differences in admission or other fees may be maintained on the basis of residence and pursuant to law.
3. All facilities shall be open to members of the public generally, except as noted under the special provisions of this Agreement or under provisions of the Act.

J. Application Incorporation

The Grant Guidelines and the Application and any subsequent changes or additions to the Application approved in writing by the State is hereby incorporated by reference into this Agreement as though set forth in full in this Agreement.

K. Severability

If any provision of this Agreement or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

L. Waiver

No term or provision hereof will be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing and signed on behalf of the party against whom the waiver is asserted. No consent by either party to, or waiver of, a breach by either party, whether expressed or implied, will constitute consent to, waiver of or excuse of any other, different or subsequent breach by either party.

M. Assignment

This Agreement is not assignable by the Grantee either in whole or in part.

STATE OF CALIFORNIA
RESOURCES AGENCY
GRANT AGREEMENT

Los Angeles River Parkway Grant Program
Safe Neighborhood Parks, Clean Water,
Clean Air, and Coastal Protection Bond Act of 2000

GRANTEE NAME: Mountains Recreation and Conservation Authority

PROJECT TITLE: Artesian Park Acquisition

AGREEMENT NUMBER: 12107-14

PROJECT SCOPE:

Acquire in fee title 2.81 acres (Mercer Property) located on the east bank of the Arroyo Seco Channel at the intersection of West Avenue 34 and Lacy Street in the City of Los Angeles and perform an environmental site assessment of the Mercer Property to determine whether there are toxics present in the soil from past use of the property.

PARCEL NUMBER

Mercer Property (2.81 acres): 5205-003-007

PROJECT SCHEDULE

Obtain Property Appraisals	February 2004
State Approval of Appraisals	April 2004
Begin Escrow	July 2004
Close Escrow	October 2004
Phase 1 Environmental Assessment	November 2004
Project Close Out	December 2004

PROJECT BUDGET – See attached budget detail

Item	Prop 12 Los Angeles Program Grant	Mountains Recreation Conservation Authority	Total
Land Value of Mercer Property	\$1,570,000	\$0	\$1,570,000
Preliminary Title Report, Appraisal & Escrow	\$10,700	\$0	\$10,700
State Approval of Appraisal	\$6,000		
Surveying	\$7,000	\$0	\$7,000
Environmental Site Assessment of Mercer Property	\$54,300	\$0	\$54,300
Signage	\$0	\$5,000	\$5,000
Total	\$1,648,000	\$0	\$1,653,000

Recording requested by, and)
when recorded, return to:)

State of California)
Resources Agency)
Elaine Berghausen)
1416 Ninth Street, Suite 1311)
Sacramento, CA 95814)

Space above this line for Recorder's use

MEMORANDUM OF UNRECORDED GRANT AGREEMENT

This Memorandum of Unrecorded Grant Agreement (Memorandum), dated as of _____, 2004, is recorded to provide notice of an agreement between the State of California, by and through the Resources Agency ("Agency") and Mountains Recreation and Conservation Authority ("Grantee").

RECITALS

- A. On or about _____, _____, Agency and Grantee entered into a certain Grant Agreement, Grant No. 40722-02 ("Grant"), pursuant to which Agency granted to Grantee certain funds for the acquisition of certain real property, more particularly described in attached Exhibit A and incorporated by reference (the "Real Property").
- B. Under the terms of the Grant, Agency reserved certain rights with respect to the Real Property.
- C. Grantee desires to execute this Memorandum to provide constructive notice to all third parties of certain Agency reserved rights under the Grant.

NOTICE

- 1. The Real Property (including any portion of it or any interest in it) may not be sold or transferred without the written approval of the State of California, acting through the Resources Agency, or its successor, provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained.
- 2. The Real Property (including any portion of it or any interest in it) may not be used as security for any debt or for mitigation without the written approval of the State of California, acting through the Resources Agency, or its successor, provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained.
- 3. For additional terms and conditions of the Grant, reference should be made to the Grant Agreement, which is on file with the Resources Agency, 1416 Ninth Street, Suite 1311, Sacramento, California 95814.

GRANTEE:

By: _____

Signature

Print Name